

ASSET PURCHASE AGREEMENT

BETWEEN

21ST CENTURY RADIO VENTURES, INC.

AND

LITTLEFIELD BROADCASTING, L.L.C.

MAY 21, 2001

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ASSET PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement"), dated as of May ____, 2001, made and entered into by and between 21st Century Radio Ventures, Inc. ("Seller"), a Virginia corporation, and Littlefield Broadcasting, LLC ("Buyer"), a Texas limited liability company.

RECITALS:

1. Seller is the licensee of Radio Station KAIQ(FM), Littlefield, Texas (the "Station") and holds the licenses and other authorizations issued by the Federal Communications Commission (the "FCC") for the operation of the Station. Seller also owns or leases all tangible and intangible assets used or useful in the business and operations of the Station.
2. Buyer desires to acquire certain of the assets of the Station, and Seller is willing to convey such assets to Buyer, subject to the terms and conditions set forth in this Agreement.
3. The purchase and sale contemplated herein is subject to prior approval by the FCC.

NOW THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties contained herein, Seller and Buyer hereby agree as follows:

ARTICLE I **TERMINOLOGY**

- 1.1 Acquired Assets. The assets owned or leased by Seller and used or useful in the operation of the Station specifically set forth in Section 2.1.
- 1.2 Act. The Communications Act of 1934, as amended.
- 1.3 Closing. The closing with respect to the transactions contemplated by this Agreement.
- 1.4 Closing Date. The date on which the transactions contemplated by this Agreement shall be consummated as provided in Section 10.1.
- 1.5 Construction Permit. Seller's construction permit for modification of the Station's facilities (BPH-20000914ABX).
- 1.6 Documents. This Agreement and all Exhibits and Schedules hereto, and each other agreement, certificate, or instrument delivered pursuant to or in connection with

this Agreement, including amendments thereto that are expressly permitted under, or agreed upon by the parties pursuant to, the terms of this Agreement.

1.7 Excluded Assets. Those assets of Seller expressly excluded from the transaction contemplated hereunder as set forth in Section 2.2.

1.8 FCC. Federal Communications Commission.

1.9 FCC Authorizations. The licenses, permits and authorizations issued by the FCC for the operation of the Station as listed in Schedule 3.3, including the Construction Permit.

1.10 FCC Order. An order or decision of the FCC granting its consent to the assignment of the FCC Authorizations to Buyer.

1.11 Final Action. An action of the FCC that has not been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely petition for reconsideration or administrative or judicial appeal or sua sponte action of the FCC with comparable effect is pending and as to which the time for filing any such petition or appeal (administrative or judicial) or for the taking of any such sua sponte action of the FCC has expired.

1.12 Lien. Any mortgage, deed or trust, pledge, hypothecation, security interest, encumbrance, claim, lien, lease or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting any assets or property including any written or oral agreement to give or grant any of the foregoing, any conditional sale or other title retention agreement, and the filing of or agreement to give any financing statement with respect to any assets or property under the Uniform Commercial Code or comparable law of any jurisdiction.

1.13 Permitted Lien. Any statutory lien which secures a payment not yet due that arises, and is customarily discharged, in the ordinary course of the Station's business; any easement, right-of-way or similar imperfection in the Seller's title to the Acquired Assets that, as reasonably perceived by Buyer individually and in the aggregate, are not material in character or amount and do not and are not reasonably expected to materially impair the value or materially interfere with the use of any Asset of the Station material to the operation of their business as it has been and is now conducted; liens in favor of Seller's lenders which shall be removed at or prior to the Closing and any other claims which will be removed at or prior to the Closing, in each case solely at Seller's expense.

1.14 Station. Radio Station KAIQ(FM), Littlefield, Texas.

ARTICLE II

PURCHASE AND SALE OF ACQUIRED ASSETS

2.1 Transfer of Acquired Assets. On the terms and conditions herein set forth, at Closing, Seller shall sell, assign, transfer, and convey to Buyer, and Buyer shall purchase and acquire from Seller, all the Acquired Assets, now owned or acquired prior to the Closing Date and used by Seller or useful in operating the Station (the "Acquired Assets"), free and clear of all Liens (except Permitted Liens), including without limitation the following:

2.1.1 FCC Authorizations. All FCC Authorizations, permits and other authorizations necessary to operate the Station and associated facilities, copies of which are attached hereto as Schedule 3.3 hereto, including but not limited to a construction permit for modification of the Station's (File BPH-20000914ABX) and a complete copy of the underlying FCC Form 301 application for such construction permit.

2.1.2 Tower Site Lease. That certain Lease, dated _____, 2000, by and between Seller and Raymond Kaufman, for lease of two acres of a larger tract on which to construct and maintain a communications radio tower and building to house transmission equipment, a copy of which is attached hereto at Schedule 2.1.2.

2.1.3 FCC Reports/Files. Copies of all documents required by the FCC to be maintained by the Seller relating to the operation of the Station, including but not limited to, the local public inspection files, and all books of account, logs, and records necessary or useful for the Buyer's operation of the Station;

2.1.4 Intangible Assets. The call signs "KAIQ" used by Seller or useful in the Station's operation, together with the goodwill associated therewith and other intangible property listed and described in Schedule 2.1.4 hereto (collectively, the "Intellectual Property").

2.2 Excluded Assets. The following assets are expressly excluded from the Station's Acquired Assets:

2.2.1 Cash on hand as of the Closing Date;

2.2.2 Deposit accounts as of the Closing Date;

2.2.3 Accounts receivable; and

2.2.4 Seller's studio office building, the improvements, and fixtures, including antenna, transmitter and broadcasting equipment, and the real estate on which the building is located and/or any lease therefor.

2.2.5 Contracts, agreements and leases other than those specified in Section 2.1.2.

2.2.6 All of Seller's corporate books and records related to internal corporate matters and financial relationship's with Seller's lenders.

2.2.7 Any other asset of Seller not located at either the studios/offices or tower site of the Station or otherwise defined herein as an Asset.

2.3 No Assumption of Liabilities. Buyer shall assume no liabilities or obligations of Seller, including, without limitation, accounts payable, debts, liabilities, and other obligations, whether pursuant to a contract or otherwise, except liabilities and obligations under the Tower Site Lease, attached hereto at Schedule 2.1.2, that arise during and are attributable to any period on or after the Closing Date (the "Assumed Obligations") or as provided in Section 2.4.4. Without limiting the generality of the foregoing, except as otherwise expressly provided for herein, Buyer shall be under no obligation to hire any employees of Seller or to assume any liability whatsoever for any employment contract, collective bargaining agreement, pension plan, profit sharing plan or any other employee benefits, programs or plans heretofore created by and/or existing with Seller.

2.4 Purchase Price and Terms of Payment. The purchase price ("Purchase Price") to be paid by Buyer to Seller shall be **SEVEN HUNDRED FIFTY THOUSAND (\$750,000.00)** to be paid as follows:

2.4.1 Escrow Deposit. On February 22, 2001, Buyer deposited **Thirty Seven Thousand Five Hundred Dollars (\$37,500.00)** (the "Escrow Deposit") with Borsari & Paxson ("Escrow Agent") to be held by Escrow Agent in accordance with the terms of the Escrow Agreement, dated February 22, 2001, attached hereto as **Exhibit 1**. The Escrow Deposit shall be paid to Seller on the Closing Date and shall be credited against the Purchase Price. Accrued interest on the Escrow Deposit shall be paid to Buyer at that time. Payment of the Escrow Deposit shall be made by cashier's check or wire transfer of immediately available funds. If Closing does not take place, the parties shall cooperate in arranging for the Escrow Deposit to be disbursed as provided in this Agreement and/or the Escrow Agreement.

2.4.2 Cash Payment. Buyer shall pay to Seller at Closing **SEVEN HUNDRED TWELVE THOUSAND FIVE HUNDRED DOLLARS (\$712,500.00)** (including the Escrow Deposit) in cash or by wire transfer of immediately available funds in accordance with wire instructions provided by Seller at least three (3) days in advance of the Closing Date.

2.4.3 Allocation of Purchase Price. The Purchase Price shall be allocated among the Acquired Assets as mutually agreed to by Buyer and Seller at or before the Closing. Buyer and Seller further agree to file with their respective Federal income tax returns as required an initial asset acquisition statement on Internal Revenue Service Form 8594 and any supplemental statements required by Temporary Treasury Regulation

Section 1.1060-1T, all in accordance with and accurately reflecting the agreed upon allocation of the Purchase Price as described above.

2.4.4 Proration of Expenses. Except as otherwise provided in this Agreement, the following items shall be pro-rated as of midnight of the day before the Closing Date and paid, as between Seller, on the one hand, and Buyer, on the other hand, at the Closing (to the extent possible) in the manner provided for herein below:

2.4.4.1 There shall be no adjustment for, and Seller shall remain solely liable with respect to, any contract other than the Tower Site Lease in Schedule 2.1.2 hereto, or any other obligation or liability not being assumed by Buyer.

2.4.4.2 At the conclusion of sixty (60) days from and after the Closing Date, a final adjustment of the items to be pro-rated between Buyer and Seller pursuant to Section 2.4.4.1 hereof shall be made.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

3.1 Organization and Good Standing; Ownership. Seller is a corporation validly organized, existing and in good standing under the laws of the State of Virginia. Seller has all requisite power and authority to own, operate and lease the Acquired Assets and carry on the business of the Station as it is now being conducted. Seller has paid (or shall pay when due) all franchise and similar fees imposed by the State of Texas. Seller further agrees to furnish at Closing a certificate of good standing for and authorization to do business in the State of Texas.

3.2 Authorization and Binding Effect of Documents. Seller has the power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Documents and to consummate the transactions contemplated hereby. By the Closing, appropriate corporate actions approving this Agreement and Seller's obligations hereunder shall have been taken. This Agreement and each of the other Documents executed or to be executed by Seller have been, or at or prior to the Closing will be, duly executed and delivered by Seller. The execution, delivery and performance of the terms of this Agreement will not conflict with or result in the breach of or constitute a violation of or default under, any of the terms, conditions or provisions of Seller's articles of incorporation, by-laws, or any license, judgment, order, decree, law, regulation, rule or ruling of any court, arbitration or governmental authority to which Seller is subject, or conflict with, result in the breach of, or constitute a default under, any other agreement, lease, contract or other commitment to which Seller, its principals or any of the Acquired Assets are subject and will not result in the creation of any Lien on any of the Acquired Assets to be conveyed. To the best of Seller's knowledge and belief, subject to obtaining the FCC Order and any consents to assignment of the Tower Site Lease, the execution, delivery and performance of this Agreement by Seller does not require the consent of any

governmental authority or other third party. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against it in accordance with its terms, except to the extent limited by bankruptcy, insolvency, moratorium and other laws of general applicability relating to or affecting the enforcement of creditors' rights.

3.3 FCC Authorizations and Compliance with Laws.

3.3.1 Seller is the legal holder of the FCC Authorizations listed on Schedule 3.3. There is not now pending, or to the knowledge of the Seller threatened, any action by the FCC to revoke, cancel, rescind, modify or refuse to renew in the ordinary course any of the FCC Authorizations, or any investigation, Order to Show Cause, Notice of Violation or of Apparent Liability or of Forfeiture, or material complaint against the Station or Seller. All material reports, forms and statements required to be filed by Seller with the FCC with respect to the Station have been filed and are complete and accurate in all material respects. The Station is dark. Seller is aware of no basis on which a renewal application for the Station would not be granted in the ordinary course for a full term without any conditions.

3.3.2 The FCC Authorizations.

3.3.2.1 are in full force and effect, unimpaired by any act or omission of Seller, or its agents, and constitute all of the permits and Authorizations required by the Act, the rules and regulations thereunder or the FCC for, or used in, the operation of the Station as now operated;

3.3.2.2 constitute all the Authorizations, including amendments and modifications thereto, issued by the FCC to Seller for or in connection with the operation of the Station; and

3.3.2.3 none of the FCC Authorizations is subject to any restriction or condition which would limit in any respect the full operation of the Station as now conducted.

3.3.3 Compliance with Laws. The Station is currently off the air. The station went off the air on January 24, 2001. Seller notified the FCC that the station is off the air on January 31, 2001 and has, and until the closing shall continue to have, authorization from the FCC to remain off the air. Seller understands that in the event the Station remains off the air for twelve consecutive months, the FCC Authorization for the station will cease to exist as a matter of law. Seller will not allow the operating license of the Station to expire between the date hereof and the Closing Date. Copies of Seller's(i) notification to the FCC that the Station is off the air, (ii) request(s) for special temporary authority for the Station to remain dark, and (iii) the current STA are attached hereto at Schedule 3.3.

3.3.4 Construction Permit. Seller holds a construction permit to modify the facilities of the Station. The permit was issued April 27, 2001 and expires April 26, 2004.

(FCC File No. (BPH-20000914ABX) (the "Construction Permit"). A copy of the engineering for such facilities modification is attached hereto at Schedule 3.3.

3.4 Litigation. Except as described in Schedule 3.4, there are no actions, judgments (issued or outstanding), suits, claims, investigations or administrative, arbitration or other proceedings pending or, to the knowledge of Seller, threatened against Seller, its principals or the Station before or by any court, arbitration tribunal or governmental department or agency of any kind, domestic or foreign, that would give any third party the right to enjoin the transactions contemplated by this Agreement, or that could adversely affect Seller's ability to consummate the transactions contemplated hereunder or that could adversely affect Buyer as the owner of any of the Station. To the best of Seller's knowledge and belief, there is no basis for such claim, litigation, proceeding or investigation. Should any such litigation or other proceeding commence or be threatened after the date of this Agreement, Seller shall promptly, and in no event later than five (5) days after becoming aware of it, notify Buyer and use its best efforts to accomplish the prompt removal or dismissal thereof.

3.5 Broker's or Finder's Fees. Seller will be responsible for any and all broker's commissions or fees that Seller may owe. Seller agrees to indemnify Buyer, and to hold Buyer harmless, from and against any claims asserted by any broker or finder, or any person or entity acting or claiming to act in a similar capacity in connection with the sale of the Station, arising out of any representations made or allegedly made by Seller.

3.6 Disclosure. No representation, warranty or other statement by Seller in this Agreement or any other Document furnished by Seller or on its behalf contains, or, to the best of Seller's knowledge, will contain, any untrue statement of a material fact, or omits to state a material fact necessary to make any representation, warranty or statement contained herein or therein not misleading and to provide Buyer with complete and accurate information as to Station and their affairs.

3.7 Absence of Conflicts. Seller's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents, and the consummation by Seller of the transactions contemplated hereby will not cause or result in the alteration or modification to the detriment of Buyer of the terms, conditions or provisions of any contract, lease agreement or other instrument to which Seller is a party or any of the Acquired Assets hereunder are subject.

3.8 Discharge of Liens. As of the Closing Date, Seller will have paid and discharged all taxes, assessments, excises, liens, levies and judgments for which it is obligated and which are then due and payable and Seller shall promptly pay and discharge, as and when any of them become due and payable after Closing, all taxes, assessments, excises, liens, levies and judgments for which it is obligated or which are a Lien on any of the Acquired Assets immediately prior to the Closing.

3.9 Leased Real Property. Schedule 2.1.2 is an existing lease between Raymond Kaufman and providing for the erection of a broadcast tower on the site and

operation of a broadcast facility therefrom (the "Leased Real Property"). No tower or other improvements have been constructed or placed on the Lease Real Property by Seller as of the date hereof. Seller's leasehold interest in the Leased Real Property is free and clear of all liens and encumbrances whatsoever, except for insurable restrictions and easements of record as of the date hereof. Buyer, in its sole discretion and at its own cost, may obtain leasehold title insurance and a survey for the Leased Real Property. To the best of Seller's knowledge, information and belief, the zoning for the Leased Real Property permits the use of the site for a broadcast tower. In the event that Buyer determines within sixty (60) days of the date hereof that the Leased Real Property is not zoned to permit the use of the site for a broadcast tower or that a variance or special use permit would be required, or that there is an encumbrance that Buyer's title company renders the leasehold interest unmarketable, then Buyer shall have the right to terminate this Agreement. In the event that Buyer terminates this Agreement on the basis set forth in this Section 3.9, then Buyer deliver to Seller in writing, pursuant to the Notice provision below, the specific the basis of such determination. Seller's leasehold interest is not, and shall not be, encumbered. Seller has not conducted a title search and makes no representation as to whether there are any liens or encumbrances as to which the leasehold interest is subordinate.

3.10 Other Matters Related to Leased Real Property. Except as set forth in Schedule 2.1.2, there are no leases or rental agreements regarding the occupancy or use of the Leased Real Property. The Tower Site Lease provides for a right of access directly from a public street or adjoining private land of the landlord.

3.11 Environmental Representations. The Lease set forth in Schedule 2.1.2, contemplates the construction by Seller of a broadcast tower on the site. Construction of the tower has not commenced. Except as otherwise set forth in Schedule 3.11: (a) Seller has never used the Leased Real Property and has no knowledge that the Leased Real Property has ever been used by previous owners and/or operators, to treat, produce, handle, transfer, process, transport, dispose or otherwise release petroleum products, a "hazardous substance," "hazardous waste," "pollutant" or "contaminant" (as such terms are defined in any applicable federal, state, or local laws, ordinances, rules and regulations, and including any and all other terms which are or may be used in any applicable environmental laws to define prohibited or regulated substances (collectively "Toxic Substances")), other than in compliance with all applicable laws, ordinances, rules and regulations of all federal, state or local governmental authorities. Seller has not used the Leased Real Property for the purpose of treating, producing, storing, handling, transferring, processing, transporting, disposing, using or releasing a Toxic Substance other than in compliance with applicable laws, statutes and any regulations promulgated thereunder; (b) Seller has no knowledge of any notification having been filed with regard to a release of any Toxic Substances on or into the Leased Real Property; (c) Seller has no knowledge of any pollution or danger of pollution resulting from a condition which exists on the Leased Real Property that would require notification, clean-up or response action under any federal, state or local statute or regulations; (d) Seller has not been, and has no knowledge that any present or former owner or operator of the Leased Real Property has been, identified as a potentially responsible party for clean up liability with regard to the

emission, discharge or release of any hazardous substance or for any other matter arising under law in any litigation, administrative proceeding, finding, order, citation, notice, investigation or complain, nor has Seller been threatened with such; (e) Seller has no knowledge of any: (1) generation, treatment, recycling, storage or disposal of any hazardous waste, (2) underground storage tank, surface impoundment, lagoon or other containment facility (past or present) for the temporary or permanent storage, treatment or disposal of hazardous substance, (3) landfill or solid waste disposal area, (4) asbestos-containing materials, (5) "friable" asbestos (as defined in the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., and the regulations promulgated thereunder), (6) electrical transformers, fluorescent light fixtures with ballasts or other equipment containing polychlorinated biphenyls (PCBs) in or at the Leased Real Property. To the best of Seller's knowledge, Seller is in compliance in all material respects with all applicable federal state and local regulations concerning any USTs that are located on the Leased Real Property.

3.12 Contracts. Schedule 2.1.2 is a true and complete copy of the Tower Site Lease to be assigned to and assumed by Buyer as and to the extent provided in Section 2.3. Seller is not in material breach or default under the Tower Site Lease. Seller has not been granted any material waiver or forbearance with respect to the Tower Site Lease. No event has occurred which, but for the passage of time or giving of notice, or both, would or might constitute a material default by Seller under the Tower Site Lease, and there is no outstanding notice of material default or termination under such Agreement. Except for the consent required pursuant to the terms of the Tower Site Lease, Seller has authority to and will assign its rights thereunder to Buyer on terms and conditions no less favorable to Buyer than those in effect on the date hereof, and such assignment will not affect the validity, enforceability and continuity of any of the Tower Site Lease. The Tower Site Lease is valid, binding and enforceable in accordance with its terms and is in full force and effect. Seller holds the right to enforce and receive the benefits under the Tower Site Lease free and clear of any Lien but subject to the terms and provisions thereof.

3.13 Insolvency. Seller is not now, and after giving effect to the transactions contemplated by this Agreement, Seller will not be insolvent as such term is defined in the Bankruptcy Code of 1978, as amended; after giving effect to the transactions contemplated by this Agreement, the property remaining with Seller shall not constitute an unreasonably small capital to conduct its current business or its business as proposed to be conducted after consummation of the transactions contemplated hereby; and Seller does not intend to incur, or believe that Seller will incur, concurrently with or after consummation of the transactions contemplated hereby, debts beyond Seller's ability to pay as such debts mature.

3.14 Taxes and Reports. Seller has filed or will have filed all federal, state and local tax returns and state franchise returns which are required to be filed by Seller, and has paid in full all taxes, interest, penalties, assessments and deficiencies owed by or which have been assessed or levied against Seller or any of its assets or properties that, to the best of Seller's knowledge, are currently due and payable (except any such

obligations as are being contested in good faith). Any additional taxes, interest, penalties, assessments and deficiencies that shall become due and payable with respect to any tax return or tax obligation of Seller arising from the operation of the Station prior to the Closing Date shall be the responsibility of Seller. All other material federal, state, county and local tax returns, reports and declarations of estimated tax or estimated tax deposit forms required to be filed by the Seller in connection with the Station's operations, real estate or payroll have been duly and timely filed. Seller has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it (except any such obligations being contested in good faith), and has paid all installments of estimated taxes due. All taxes, levies and other assessments which the Seller is required by law to withhold or to collect have been duly withheld and collected, and have been paid over to the proper governmental authorities or held by the Seller for such payment.

3.15 Operation in Ordinary Course. During the 12-month period ending on the date hereof, except for the period (commencing on January 24, 2001) that the Station has been dark, Seller has operated the Station in the ordinary course of business consistent with past practices.

3.16 Intellectual Property. Schedule 2.1.4 lists all Intellectual Property applied for, owned, used or licensed (either as licensor or licensee) in connection with the operation of the Station.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

4.1 Organization and Good Standing. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas. Buyer has or as of the Closing Date shall have, authority to conduct business in the State of Texas. Buyer has all requisite company power to acquire the FCC Authorizations and to become the licensee of the Station.

4.2 Authorization and Binding Effect of Documents. Buyer has, or as of the Closing Date will have, the power and authority to execute, deliver, and perform its obligations under this Agreement and each of the other Documents and to consummate the transactions contemplated hereby and thereby. By the Closing, all necessary company actions approving this Agreement and Buyer's obligations hereunder shall have been taken. This Agreement and each of the other Documents to be executed by Buyer have been, or at or prior to the Closing will be, duly executed and delivered by Buyer. The execution, delivery and performance of the terms of this Agreement will not conflict with or result in the breach of or constitute a violation of or default under any of the terms, conditions or provisions of Buyer's articles of organization, operating agreement, or any license, judgement, order, decree, law, regulation, rule or ruling of any court, arbitration or governmental authority to which Buyer is subject, or result in the breach of, or constitute a

default under, any other agreement, lease, contract or other commitment to which Buyer, its principals or any of its assets are subject. Subject to obtaining the FCC Order, the execution, delivery and performance of this Agreement does not require the consent of any third party. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms, except to the extent limited by bankruptcy, insolvency, moratorium and other laws of general applicability relating to or affecting the enforcement of creditors' rights.

4.3 Absence of Conflicts. Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents and the consummation by Buyer of the transactions contemplated:

4.3.1 Do not violate, or result in the creation of any claim, lien, charge or encumbrance on any of the assets or properties of Buyer under any provision of law, rule or regulation or under any order, judgment, injunction, decree or ruling applicable to Buyer in any manner which would have a material negative effect on the assets, business, operation or financial condition or on the operations of Buyer or on Buyer's ability lawfully to close the transactions contemplated hereby;

4.3.2 Do not (with or without the giving of notice or the passage of time or both) conflict with or result in a breach or termination of, or constitute a default or give rise to a right of termination or acceleration under, the articles of incorporation or bylaws of Buyer or any lease, agreement, commitment or other instrument which Buyer is a party to or bound by or by which any of its assets or properties may be bound, other than conflicts, breaches, terminations, defaults or accelerations which, individually or in the aggregate, do not and will not have a material adverse effect on the business, operations or financial condition of Buyer or on the ability of Buyer to perform its obligations hereunder or under any other Document or to conduct the operation of the Station following the Closing.

4.4 Governmental Consents and Consents of Third Parties. With the exception of the FCC, Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents and the consummation by Buyer of the transactions contemplated hereby and thereby, do not require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any court or public agency or other authority, or the consent of any person under any agreement, arrangement or commitment of any nature which Buyer is a party to or bound by, the failure of which to obtain would have a material adverse effect on the ability of Buyer to consummate the transactions or perform its obligations hereunder or under any other Document.

4.5 Qualifications.

4.5.1 Except as set forth on Schedule 4.5, Buyer has no knowledge of any facts concerning Buyer or any person with an attributable interest in Buyer (as such term is defined under decisions, rules and regulations of the FCC) which would, under present law (including the Act) and present rules, regulations and practices of the FCC:

4.5.1.1 disqualify Buyer from owning and operating the Station; or

4.5.1.2 raise a substantial and material question of fact (within the meaning of Section 309(a) of the Act) respecting Buyer's qualifications.

4.5.2 Buyer will not take, or fail to take, any action it knows or has reason to know would cause such disqualification or raise such question of fact. Should Buyer become aware of any such facts, it will promptly notify Seller in writing thereof and use its best efforts to prevent such disqualification. Buyer further represents and warrants that it is financially qualified to meet all terms, conditions and obligations arising or contemplated under this Agreement.

4.6 Broker's or Finder's Fees. Except American Media Services, LLC, no agent, broker, investment banker, or other person or firm acting on behalf of Buyer or under its authority is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, from Buyer in connection with the transactions contemplated by this Agreement.

4.7 Litigation. Except as set forth on Schedule 4.7, there are no legal, administrative, arbitration or other proceedings, judgments (issued or outstanding), suits, claims, or governmental investigations pending or, to the knowledge of Buyer, threatened against Buyer before any court, arbitration tribunal or governmental department or agency that would give any third party the right to enjoin the transactions contemplated by this Agreement or that could adversely affect Buyer's ability to consummate the transactions contemplate hereunder or to operate the Station following the Closing. Buyer does not know of any basis for such claim, litigation, proceeding, or investigation. Should any such litigation commence after the date of this Agreement and before the Closing, Buyer shall promptly, and in no event later than five (5) days after becoming aware of it, notify Seller, and use its best efforts to accomplish the prompt removal or dismissal thereof.

4.8 Disclosure. No representation, warranty or other statement by Buyer in this Agreement or any other Document furnished by Buyer or on its behalf contains, or will contain, any untrue statement of a material fact, or omits to state a material fact necessary to make any representation, warranty or statement contained herein or therein not misleading.

ARTICLE V **COVENANTS**

5.1 Affirmative Covenants of Seller. Between the date hereof and the Closing Date, except as contemplated by this Agreement, Seller shall:

5.1.1 Operation of Station. If Seller receives any finding, order, complaint, citation or notice prior to Closing which asserts that any aspect of Seller's ownership or prior operation of the Station (or failure to operate) violates any rule, regulation or order of

the FCC or any other governmental authority (an "Administrative Violation"), Seller shall promptly notify Buyer of any Administrative Violation, take action promptly to remove or correct any Administrative Violation, and be responsible for the payment of all costs associated therewith, including any fines or back pay that may be assessed.

5.1.2 Access Prior to the Closing Date. Provide Buyer and its representatives reasonable access during normal business hours on reasonable advanced notice to the properties, contracts, books, files, logs, records and affairs of the Station, and furnish such additional information concerning the Station as Buyer from time to time reasonably requests; provided, however, that Buyer shall not contact any employee of Seller or engage in discussions with any such employee without Seller's approval, which shall not unreasonably be withheld.

5.1.3 Assignment of Tower Site Lease. The Tower Site Lease allows Seller the right to assign the lease without the prior written consent of the landlord. Seller will assign the Tower Site Lease to Buyer in a form satisfactory to Buyer.

5.1.4 Maintain and Comply with Tower Site Lease. Maintain and comply with all of the terms of the Tower Site Lease, including timely making or providing all payments due under the Tower Site Lease so that all payments required to be made prior to 12:01 a.m. on the Closing Date will have been paid.

5.1.5 Maintain Licenses. Use its best efforts to maintain in full force and effect, or renew when required, the FCC Authorizations and any other licenses, permits and authorizations relating to the Station, including returning the Station to on-air operation in order to ensure that the FCC Authorization does not expire as a result of the Station remaining dark for more than twelve months.

5.1.6 Operation After Closing. In the event that the Closing contemplated hereunder occurs as provided herein, and the Station is still dark, Seller agrees to allow Buyer to utilize its existing broadcast facilities (including but not limited to transmitter, antenna, and cabling) in order to place the Station back on the air to ensure that the FCC Authorizations shall not expire by operation of law. Except as set forth in this Paragraph 5.1.6, Seller shall have no responsibility for maintaining, repairing or replacing such broadcast facilities after the Closing.

5.2 Negative Covenants of Seller. Between the date hereof and the Closing Date, except as contemplated by this Agreement, Seller will not, without the prior written consent of Buyer which will not unreasonably be withheld:

5.2.1 Mortgages. Create, assume or permit to exist any new mortgage or pledge, or subject to lien or encumbrance, any of the Acquired Assets, whether now owned or hereafter acquired, unless discharged of record prior to or at Closing.

5.2.2 Transfers. Sell, assign, lease or otherwise transfer or dispose of any of the Acquired Assets, whether now owned or hereafter acquired, except for disposal and

consumption of supplies and inventories in the ordinary course and retirements in the normal and usual course of business of items no longer required for use in connection with the Station's operations, or in connection with the acquisition of similar property or assets of equal or greater value, with the cost of any such replacement property to be Seller's responsibility.

5.2.3 Call Letters. Change the call letters of the Station.

5.2.4 Collective Bargaining. Voluntarily enter into any collective bargaining agreement covering employees of the Station and not voluntarily enter into any such collective bargaining agreement that contains a provision requiring assignment to and assumption of the agreement by a purchaser of the Station.

5.2.5 Inconsistent Action. Take any action inconsistent with its warranties, representations or obligations hereunder or which could jeopardize or delay consummation of the transactions contemplated hereunder.

5.2.6 Contractual Obligations. Do, or omit to do, any act which will cause a material breach of, or material default under, or termination of, any Material Station Agreement.

5.2.7 Trade Contracts. Enter into any Trade Contracts, or modify or amend any existing such agreements or understandings, except where, or to ensure that, such agreements shall terminate prior to or upon the Closing Date.

5.3 Negative Covenant of Buyer. Between the date hereof and the Closing, Buyer shall not take any action inconsistent with its representations, warranties and other obligations hereunder or which could jeopardize or delay the consummation of the transactions contemplated hereunder.

5.4 No Solicitation. From the date hereof until the earlier of Closing or termination of this Agreement, neither Seller nor any affiliate of Seller shall directly or indirectly (i) solicit, initiate or encourage submission of any proposal or offer from any person relating to any acquisition or purchase of any interest in Seller or any material Acquired Assets of either of the Station or any merger, consolidation or business combination with Seller (each an "Acquisition Proposal"), or (ii) participate in any discussions or negotiations regarding, furnish to any person any information with respect to, or otherwise assist, facilitate, encourage or participate in or cooperate with, any effort or attempt by any person to make or effect an Acquisition Proposal. Seller shall promptly notify Buyer in writing if an Acquisition Proposal is made in writing after the date of this Agreement.

ARTICLE VI

FCC CONSENT

6.1 FCC Approvals.

6.1.1 FCC Consent. Seller and Buyer shall jointly file the Assignment Application with the FCC within ten (10) days of the execution of this Agreement. Seller and Buyer shall take all steps necessary to prosecute such filing with diligence and shall diligently oppose any objections to, appeals from or petitions to reconsider the FCC Order, to the end that the FCC Order shall become a Final Action as soon as practicable. Seller shall not take, and Buyer shall not take, nor permit any member of Buyer to take, any action that such party knows or has reason to know would materially and adversely affect or materially delay issuance of the FCC Order, or materially and adversely affect or materially delay the FCC Order from becoming a Final Action. Should Buyer or Seller become aware of any facts not disclosed which could reasonably be expected to materially and adversely affect or materially delay issuance of the FCC Order, or prevent or materially delay the FCC Order from becoming a Final Action, such party shall promptly notify the other party thereof in writing. Seller and Buyer shall share equally the filing fee required by the FCC for the Assignment Application, but the parties shall otherwise each bear their own expenses in connection with the Assignment Application.

ARTICLE VII

GOOD FAITH; REASONABLE EFFORTS

Subject to the terms and conditions of this Agreement, each of the parties hereto will use its reasonable efforts to take all action and to do all things necessary, proper or advisable in good faith to satisfy any condition to such party's obligations hereunder in its power to satisfy and to consummate and make effective as soon as practicable the transactions contemplated by this Agreement.

ARTICLE VIII
CONDITIONS PRECEDENT TO THE
OBLIGATION OF BUYER TO CLOSE

Buyer's obligation to close the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, unless waived by Buyer in writing:

8.1 Accuracy of Representations and Warranties. The representations and warranties of Seller contained in this Agreement or in any other Document shall be complete and correct in all material respects at the Closing Date with the same effect as though made at such time, except for changes permitted under this Agreement.

8.2 Performance of Agreement. Seller shall have performed in all material respects all of its covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to or upon the Closing Date.

8.3 FCC and Other Consents.

8.3.1 The FCC Order shall have been issued by the FCC. (This condition may not be waived.)

8.3.2 The FCC Order shall have become a Final Action without any condition materially adverse to Buyer.

8.3.3 Conditions which the FCC Order or any order, ruling or decree of any judicial or administrative body relating thereto or in connection therewith specifies and requires to be satisfied prior to assignment of the Station to Buyer shall have been satisfied.

8.3.4 The grant of the Construction Permit shall have been become Final Action and be in full force and effect.

8.3.5 The Station shall not have remained off the air for more than twelve months and the FCC Authorization shall be in full force and effect.

8.3.6 All other authorizations, consents, approvals and clearances of all federal, state and local governmental agencies required to permit the consummation by Seller and Buyer of the transactions contemplated by this Agreement shall have been obtained; all statutory and regulatory requirements for such consummation shall have been fulfilled; and no such authorizations, consents, approvals or clearances shall contain any conditions that individually or in the aggregate would have a material adverse effect on the Station or Buyer's operation thereof.

8.3.7 All necessary approvals and consents to the assignment to Buyer of the Tower Site Lease shall have been obtained and delivered to Buyer.

8.4 No Adverse Proceedings. No suit, action or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against Seller, that would make it unlawful for either party to consummate the transactions contemplated by this Agreement in accordance with the terms hereof, or which might reasonably result in any material adverse effect on the business, prospects or condition of any of the Station or the Acquired Assets, or which question the validity of any action taken or to be taken pursuant to or in connection with this Agreement, or which would reasonably be expected to result in a claim for damages greater than Ten Thousand Dollars (\$10,000) for which Buyer would be responsible. No insolvency proceedings of any character against Seller or any of its assets or properties shall be pending or to the knowledge of Seller, threatened, and Seller shall not have taken any action in contemplation of, or which would constitute the basis for, the institution of any such insolvency proceeding.

8.5 Tower Site Lease. Seller shall have obtained the Landlord's consent to the assignment of the Tower Site Lease and, on the Closing Date, Seller shall assign the Tower Site Lease to Buyer on terms and conditions no less favorable to Buyer than those in effect on the date hereof.

8.6 Closing Deliveries. Seller shall have delivered on or before the Closing Date the Acquired Assets and each of the documents required to be delivered pursuant to Section 10.2 or as otherwise provided in this Agreement.

ARTICLE IX CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLER TO CLOSE

The obligation of Seller to close the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing Date, or each of the following conditions, unless waived by Seller in writing:

9.1 Accuracy of Representations and Warranties. The representations and warranties of Buyer contained in this Agreement or in any other Document shall be complete and correct in all material respects on the date hereof and at the Closing Date with the same effect as though made at such time, except for changes permitted under this Agreement.

9.2 Performance of Agreement. Buyer shall have performed in all material respects all of its covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to or upon the Closing Date, and made all payments required to be made by Buyer prior to or on the Closing Date.

9.3 FCC and Other Consents.

9.3.1 The FCC Order shall have been issued by the FCC. (This condition may not be waived.)

9.3.2 Conditions which the FCC Order or any order, ruling or decree of any judicial or administrative body relating thereto or in connection therewith specifies and requires to be satisfied prior to assignment of the Station to Buyer shall have been satisfied.

9.3.3 All other authorizations, consents, approvals and clearances of all federal, state and local governmental agencies required to permit the consummation by Seller and Buyer of the transactions contemplated by this Agreement shall have been obtained; all statutory and regulatory requirements for such consummation shall have been fulfilled; and no such authorizations, consents, approvals or clearances shall contain any conditions that individually or in the aggregate would have a material adverse effect on the Station or Buyer's operation thereof.

9.3.4 The Construction Permit shall have been become a Final Action and be in full force and effect.

9.3.5 The Station shall not have remained off the air for more than twelve months and the FCC Authorization shall be in full force and effect.

9.4 No Adverse Proceedings. No suit, action or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, Buyer that would make it unlawful for Buyer to consummate the transactions contemplated by this Agreement in accordance with the terms hereof, or which question the validity of any action taken or to be taken pursuant to or in connection with this Agreement. No insolvency proceedings of any character against Buyer shall be pending and Buyer shall not have taken any action in contemplation of, or which would constitute the basis for, the institution of any such insolvency proceeding.

9.5 Closing Deliveries. Buyer shall have delivered on or before the Closing Date each of the documents required to be delivered pursuant to Section 10.3 or as otherwise provided in this Agreement.

ARTICLE X

CLOSING

10.1 Unless the parties mutually agree otherwise, the Closing shall take place twenty (20) days after the date on which the FCC Order becomes a Final Action (the "Closing Date"). The Closing shall occur at a mutually agreeable location.

10.2 Seller's Performance. At the Closing hereunder Seller shall deliver or cause to be delivered to Buyer the following in each case in form and substance reasonably satisfactorily to Buyer:

10.2.1 License Assignments. Assignments of the FCC Authorizations in customary form and substance;

10.2.2 Bill of Sale. A bill of sale and all other appropriate documents and instruments in a form and substance reasonably acceptable to counsel for Buyer assigning good and marketable title to the Acquired Assets free and clear of any Liens on Seller's interest therein;

10.2.3 Tower Site Lease. Such assignments and further instruments of transfer to assign to Buyer all of Seller's rights under the Tower Site Lease free and clear of all Liens on Seller's interest therein;

10.2.4 Certificates. (i) A Certificate by Seller, dated as of the Closing Date, certifying that, except as set forth in such Certificate, all of Seller's undertakings and obligations under this Agreement are satisfied as of the Closing Date and all of its warranties and representations remain true and accurate as of the Closing Date; (ii) a certificate from the Secretary of State of the State of Virginia, dated as near as practicable to the Closing Date, showing that Seller is incorporated and in good standing in the State of Virginia; (iii) a certificate from the State of Texas, dated as near as practicable to the Closing Date, showing that Seller is authorized to do business in the State of Texas; (iv) a certificate of the secretary of Seller attesting to the incumbency of each officer of Seller who executes this Agreement and any of the other Documents; (v) a certificate of Seller's Secretary certifying the validity of attached corporate resolutions authorizing the transaction contemplated in this Agreement; and (vi) a certificate of Seller that to the best of Seller's knowledge, information and belief: (a) Seller holds the FCC Authorizations, including the Construction Permit, each of which is in full force and effect; (b) they are not subject to any conditions other than those shown on the face of the FCC Authorizations; (c) the FCC has granted the FCC Order and such order has become a Final Action (unless the condition on finality has been waived as permitted herein); and (d) there are no proceedings pending or threatened by or before the FCC affecting or relating to the Station or the FCC Authorizations

10.2.5 Additional Documents. Such other information, materials and documentation as counsel for Buyer shall have reasonably requested for the purpose of consummating the transactions described herein and to evidence satisfaction of the conditions to Seller's obligations hereunder, and any other documents expressly required by this Agreement to be delivered by Seller at Closing;

10.2.6 Opinion of Seller's Counsel. The written opinion of Seller's corporate counsel, dated as of the Closing Date, that (a) Seller is a corporation duly formed and in good standing in the Commonwealth of Virginia and is authorized to do business in the State of Texas; (b) Seller is authorized to sell the Station and the Acquired Assets; (c) all corporate actions necessary to sell the Station and the Acquired Assets pursuant to this Agreement have been duly and properly taken; (d) to the knowledge of counsel, no suit, action or proceeding is pending or threatened that questions or may affect the validity of any action to be taken by Seller pursuant to this Agreement or that seeks to restrain Seller

from carrying out the transactions provided for herein; (e) to the knowledge of counsel, there is no outstanding judgment or any suit, action or claim pending, threatened or deemed by counsel to be probable of assertion, or any governmental proceeding or investigation in progress that could reasonably be expected to have a material adverse effect upon the Acquired Assets or the Station after Closing.

10.2.7 Records. Deliver to Buyer copies of the records and documents referenced in Section 2.1.3 above.

10.2.8 Joint Escrow Instructions. Written instructions to the Escrow Agent directing that the Deposit be delivered to Seller and all interest thereon be delivered to Buyer on the Closing Date;

10.2.9 Wire Instructions. Three (3) days prior to the Closing Date, Seller shall provide to Buyer wire instructions for the payment of the Cash Payment due on the Closing Date.

10.3 Buyer's Performance. At the Closing, Buyer shall deliver or cause to be delivered to Seller the following, in each case in form and substance reasonably satisfactory to Seller:

10.3.1 Joint Escrow Instructions. Written instructions to the Escrow Agent directing that the Escrow Deposit be delivered to Seller and all interest thereon be delivered to Buyer on the Closing Date.

10.3.2 Cash. A wire transfer of immediately available funds Seller, in the amount of Seven Hundred Twelve Thousand Five Hundred Dollars (\$712,500.00);

10.3.3 Certificate. A certificate by Buyer dated as of the Closing Date certifying that, except as set forth in such certificate, all of Buyer's undertakings and obligations under this Agreement are satisfied as of the Closing Date, and all of its warranties and representations remain true and accurate as of the Closing Date.

10.3.4 Additional Documentation. Such additional information, materials, and documentation as counsel to Seller shall have reasonably requested to evidence satisfaction of the conditions to Buyer's obligations hereunder, and any other documents expressly required by this Agreement to be delivered by Buyer at Closing;

10.3.5 Assumption Agreement. Documentation in a form reasonably satisfactory to counsel for Seller that Buyer has assumed the Assumed Obligations;

Either party may waive in writing any deliveries from the other party as provided in this Article 10.

ARTICLE XI

SURVIVAL OF REPRESENTATIONS AND WARRANTIES:

INDEMNIFICATION

11.1 Survival of Representations and Warranties.

11.1.1 Survival of Seller's Representations and Warranties. The only representations and warranties to survive the Closing are: (a) Paragraphs 3.3.1, 3.3.2, 3.3.2.1, 3.3.2.2, 3.3.2.3 and 3.3.3, such warranties and representations comprising a cumulative warranty and representation by Seller to Buyer that no occurrences, events, acts or omissions that transpired during the ownership of the Station by Seller, including the period of time during which the Station was dark, violated any FCC rules or regulations that will cause the imposition of a fine, forfeiture or cancellation of the FCC Authorizations or any other penalty by the FCC; (b) Paragraphs 3.5 and 5.1.6. The Closing shall not be deemed a waiver by Buyer of Seller's representations and warranties and the period of survival of Seller's limited warranties shall end twelve (12) months after the Closing Date (the "Survival Period"). No claim may be brought under this Agreement pertaining to the limited surviving Seller warranties unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the Survival Period. In the event such a notice is so given, the right to indemnification with respect thereto under this Article shall survive the applicable Survival Period until such claim is finally resolved and any obligations with respect thereto are fully satisfied.

11.1.2 Survival of Buyer's Representations and Warranties. The representations and warranties survive the Closing shall be limited to the following: (a) Paragraphs 4.4, 4.5, and 4.6. The Closing shall not be deemed a waiver by Seller of the representations and of Buyer's representations and warranties and the period of survival of Buyer's limited warranties shall end twelve (12) months after the Closing Date (the "Survival Period"). No claim may be brought under this Agreement pertaining to the surviving Seller warranties unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the Survival Period. In the event such a notice is so given, the right to indemnification with respect thereto under this Article shall survive the applicable Survival Period until such claim is finally resolved and any obligations with respect thereto are fully satisfied.

11.2 Indemnification in General. Buyer and Seller agree that the rights to be indemnified and held harmless set forth in this Agreement, as between the parties hereto and their respective permitted successors and assigns, shall be exclusive of all rights to be indemnified and held harmless that such party (or its permitted successors or assigns) would otherwise have by statute, common law or otherwise.

11.3 Indemnification by Seller. Seller shall indemnify, defend, and hold harmless Buyer and its permitted assigns with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, obligations, liabilities, recoveries, deficiencies, and expenses (not including penalties or attorneys' fees) of every kind and description to the extent set forth (collectively "Claim") and relating to or arising out of:

11.3.1 Any breach or non-performance by Seller of any of the limited representations and warranties that survive the Closing; or

11.3.2 Any debt, liability or obligation of Seller or the Station that arises or results from or is attributable to the operations or business of the Seller or the Station prior to the Closing Date, including but not limited to, liabilities and obligations under Tower Site Lease to the extent such liabilities and obligations relate to any period before the Closing Date, regardless of whether disclosed in any Schedule or Document and regardless of whether constituting a breach by Seller of any representation, warranty, covenant or agreement, and any other liability or obligation of Seller other than the Assumed Obligations; or

11.3.3 Except as set forth in Paragraph 13.3, in the event that Seller breaches this Agreement prior to the Closing, Buyer shall recover from Seller the Escrow Deposit plus interest accrued thereon. In the event that, after the Closing, Buyer has a claim against Seller for the breach of any of the limited Seller representations and warranties that survive the Closing, then the sole and only remedy of the Buyer shall be to recover from Seller the amount of any fine or penalty imposed by the FCC. In the event, as a result of the breach of such representation or warranty, a termination, cancellation or forfeiture of the FCC Authorizations (or any of them) occurs, then the sole and exclusive remedy and damage claim shall be the repayment of the purchase price (including the Escrow Deposit with any interest accrued thereon and the Broker's Fee) from Seller. Buyer shall not be entitled to recover attorneys' fees, interest, consequential or any other monetary damages for Seller's breach of its limited warranties that survive the Closing, or interest, attorneys' fees or consequential damages as to any claim.

11.4 Indemnification by Buyer. Buyer shall indemnify, defend, and hold harmless Seller and its permitted assigns, with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, obligations, liabilities, recoveries, deficiencies, and expenses (not including penalties or attorneys' fees) of every kind and description to the extent set forth and relating to or arising out of:

11.4.1 Any breach or non-performance by Buyer of any of the limited representations and warranties that survive the Closing; or

11.4.2 The Assumed Obligations and any other liability, obligation or debt of Buyer or the Station or any other matter that arises or results from and is attributable to the operations or business of the Station on or after the Closing Date excluding, however, any liability or obligation of Seller other than the Assumed Obligations.

11.4.3 Except as set forth in Paragraph 13.3, in the event that Buyer breaches this Agreement, Seller shall be entitled to retain the Escrow Deposit and any interest accrued thereon. Seller shall not be entitled to recover attorneys' fees, interest, consequential or any other monetary damages for Buyer's breach of its limited warranties that survive the Closing or interest, attorneys' fees or consequential damages as to any claim.

11.5 Limitation on Indemnification. Notwithstanding the indemnification obligations as set for in Sections 11.3 and 11.4 hereof, neither Seller nor Buyer shall be entitled to indemnification unless and until the total value of all of the Claims for such indemnification by the party to be indemnified shall have exceeded Ten Thousand Dollars and No Cents (\$10,000.00), whereupon the indemnifying party shall then indemnify indemnified for all such claims;

11.6 Indemnification Procedure. For purposes of administering the indemnification provisions set forth in Sections 11.3 and 11.4, the following procedure shall apply:

11.6.1 Whenever a claim for indemnification shall arise under this Article, the party entitled to indemnification (the "Indemnified Party") shall promptly and in no event later than fifteen (15) days after receipt of such a claim, give written notice to the party from whom indemnification is sought (the "Indemnifying Party") setting forth in reasonable detail, to the extent then available, the facts concerning the nature of such claim and the basis upon which the Indemnified Party believes that it is entitled to indemnification hereunder, provided that the Indemnified Party's failure to do so shall not preclude it from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party's ability to defend such claim.

11.6.2 In the event of any claim for indemnification hereunder resulting from or in connection with any claim, action, suit or legal proceedings brought by a third party, the Indemnifying Party shall be entitled, at its sole expense, either:

11.6.2.1 to participate therein, or

11.6.2.2 to assume the entire defense thereof with counsel who is selected by it and who is reasonably satisfactory to the Indemnified Party provided that:

(a) the Indemnifying Party agrees in writing that it does not and will not contest its responsibility for indemnifying the Indemnified Party in respect of such claim or proceeding, and

(b) no settlement shall be made without the prior written consent of the Indemnified Party which shall not be unreasonably withheld (except that no such consent shall be required if the claimant is entitled under the settlement to only monetary damages to be paid solely by the Indemnifying Party). If, however, (1) the claim, action, suit or proceeding would, if successful, result in the imposition of damages for which the Indemnifying Party would not be solely responsible hereunder, or (2) representation of both parties by the same counsel would otherwise be inappropriate due to actual or potential differing interests between them, then the Indemnifying Party shall not be entitled to assume the entire defense and each party shall be entitled to retain counsel (in the case of Clause (a) of this sentence, at their own expense) who shall cooperate with one another in defending against such action, claim or proceeding.

11.6.3 If the Indemnifying Party does not choose to defend against a claim, action, suit or legal proceeding by a third party, the Indemnified Party may defend against such claim, action, suit or proceeding in such manner as it deems appropriate or settle such claim, action, suit or proceeding (after giving notice thereof to the Indemnifying Party) on such terms as the Indemnified Party may deem appropriate, and the Indemnified Party shall be entitled to periodic reimbursement of expenses incurred in connection therewith and prompt indemnification from the Indemnifying Party.

11.6.4 Neither party will not, without the other party's written consent, settle or compromise any claim or consent to any entry of judgment which does not include, as an unconditional term thereof, the giving by the claimant to both parties a release from all liability with respect to such claim. Neither Buyer nor Seller shall be deemed to have notice of any claim by reason of any knowledge acquired on or prior to the Closing Date by an employee of the Station unless express evidence is available establishing actual notice to either party.

ARTICLE XII **TERMINATION**

12.1 Events of Termination. If Closing shall not have previously occurred, this Agreement shall terminate upon written notice from one party to the other if:

12.1.1 The Station remains off the air for more than 12 consecutive months from the date the Station went dark; or

12.1.2 The Construction Permit fails to become a Final Action or any of the FCC Authorizations are cancelled, forfeited or otherwise become invalid; or

12.1.3 Fifteen (15) days after written notice is given by one party to the other party specifying a material breach hereunder by the other party and such breach remains uncured after expiration of such 15-day period, provided that the terminating party is not in material default of this Agreement.

If the event this Agreement is terminated for any reason other than Buyer's material breach hereunder, Buyer shall be entitled to receive the return of the Escrow Deposit together with all interest accrued thereon. If this Agreement is terminated by Seller under Section 12.1.3 by reason of Buyer's material breach hereunder, Seller shall be entitled to the Escrow Deposit plus all accrued interest thereon.

ARTICLE XIII

DEFAULT AND REMEDIES

13.1 Material Breaches. Non-material breaches or non-material failures to perform by a party hereunder shall not be grounds for postponing the Closing or terminating this Agreement.

13.2 Opportunity to Cure. Except for Buyer's cash payment obligation on the Closing Date, no party to this Agreement shall be deemed in default hereunder unless such default continues for fifteen (15) days after receipt of written notice from the other party specifying in reasonable detail the nature of such default. The defaulting party shall have the right to cure such default within such 15-day period, provided that if Closing is scheduled prior to the end of this period, cure must be accomplished by the Closing Date.

13.3 Buyer's Remedies. Seller agrees that the Acquired Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, unless Buyer is in breach of this Agreement, as to the propriety of specific performance as a remedy. In the event of Buyer's termination of this Agreement as a result of Seller's breach of this Agreement, instead of seeking specific performance, or if specific performance, for any reason, cannot be or is not granted, Buyer shall be entitled to the Escrow Deposit and all interest accrued thereon. The remedies described in this Section shall be in lieu of any other remedies to which Buyer might otherwise be entitled due to Seller's wrongful failure to consummate the transaction contemplated by this Agreement.

13.4 Liquidated Damages. In the event of Seller's termination of this Agreement due to a material breach of Buyer, then the Escrow Deposit plus accrued interest thereon shall be paid to Seller as liquidated damages, it being agreed that the Escrow Deposit shall constitute full payment for any and all damages suffered by reason of, and shall constitute Seller's sole remedy at law or in equity for, Buyer's material breach hereunder.

ARTICLE XV **MISCELLANEOUS**

14.1 Further Actions. From time to time before, at and after the Closing, each party, at its expense and without further consideration, will execute and deliver such documents to the other party as the other party may reasonably request in order to accomplish the transactions contemplated hereby.

14.2 Payment of Expenses.

14.2.1 All state or local sales or use, stamp or transfer, grant and other similar taxes payable in connection with consummation of the transactions contemplated hereby shall be paid by the party primarily liable under applicable law to pay such tax.

14.2.2 Except as otherwise expressly provided in this Agreement, each of the parties shall bear its own expenses, including the fees of any attorneys and accountants engaged by such party, in connection with this Agreement and the consummation of the transactions contemplated herein.

14.3 Notices. All notices, demands or other communications given hereunder shall be in writing and shall be sufficiently given if delivered by hand, by courier (including nationally-recognized overnight delivery service) or sent by registered or certified mail, first class mail, postage prepaid, or by facsimile with receipt confirmation and a follow-up copy sent by nationally-recognized overnight delivery service on the same day as such facsimile, addressed as follows:

If to Buyer: Edward F. Seeger, Member
Littlefield Broadcasting, LLC
1311 Chuck Dawley Blvd, Unit 202
Mount Pleasant, South Carolina 29464
Tel: 843-972-2675
Fax: 843-881-4436

Copies to: Kathleen Victory, Esquire
Fletcher Heald & Hildreth, P.L.C.
1300 N. 17th Street, Suite 1100
Arlington, VA 22209
Tel: 703-812-0400
Fax: 703- 812-0486

If to Buyer: James L. Primm , President
21st Century Radio Ventures, Inc.
41-625 Eclectic Way, Suite #J1
Palm Desert, CA 92260
Tel: 760-674-8555
Fax: 760-674-8490

Copies to: George Borsari, Jr.
Borsari & Paxson
2021 L. Street, NW, Suite 402
Washington, DC 20036
Tel: 202-296-4800
Fax: 202-296-4460

or such other address with respect to either party hereto as such party may from time to time specify (as provided above) to the other party hereto. Any such notice, demand or communication shall be deemed to have been given:

14.3.1 if sent by first class mail, as of the close of the third business day following the date so mailed;

14.3.2 if personally delivered or sent by overnight courier, on the date delivered; and

14.3.3 if faxed, on the date faxed, provided written or verbal confirmation of receipt has been obtained by the sending party.

14.4 Entire Agreement. This Agreement, the Schedules and Exhibits hereto, and the other Documents, constitute the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede any prior offers, negotiations, agreements, understandings or arrangements between the parties hereto with respect to the subject matter hereof.

14.5 Benefit and Assignment. Neither party may assign its rights or obligations hereunder to another party without the advance written consent of the other party provided, however, that (i) Buyer may assign its right under this Agreement to an affiliate or subsidiary of Buyer, provided such affiliate or subsidiary is controlled by or under common control with Buyer, and (ii) any party's rights to indemnification under Article XII hereof will inure to the benefit of and be enforceable by any successor-in-interest by merger or consolidation or by any lender secured by a security interest in such rights to indemnification. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors or assigns.

14.6 Governing Law. This Agreement shall in all respects be governed by and construed in accordance with the internal laws of the State of Texas, including all matters of construction, validity and performance, without regard to its principles of conflicts of laws.

14.7 Amendments and Waivers. No term or provision of this Agreement may be amended, waived, modified, discharged or terminated orally but rather only by an instrument in writing signed by both parties. Any written waiver shall be effective only in accordance with its express terms and conditions.

14.8 Severability. Any provision of this Agreement which is held by any court of competent jurisdiction or as a result of further legislative or administrative action, unenforceable shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without affecting the validity or enforceability of any other provision hereof.

14.9 Headings. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

14.10 Counterparts. This Agreement may be executed in any number of counterparts, and by either party on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.11 References. All references in this Agreement to Schedules and Exhibits are to Schedules and Exhibits contained in this Agreement unless a different document is expressly specified.

14.12 Counsel. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

14.13 Confidentiality. Buyer and Seller shall keep confidential all information obtained by it with respect to the other in connection with this Agreement and the negotiations preceding this Agreement, and will use such information solely in connection with the transactions contemplated by this Agreement. If the transactions contemplated hereby are not consummated for any reason, each party shall return to the other, without retaining a copy thereof, any schedules, documents or other written information obtained from the other in connection with this Agreement and the transactions contemplated hereby. Notwithstanding the foregoing, neither party shall be required to keep confidential or return any information which (a) is known or available through other lawful sources, not bound by a confidentiality agreement with the disclosing party, or (b) is or becomes publicly available or known through no fault of the receiving party or its agents, (c) is required to be disclosed pursuant to an order or request of a judicial or governmental authority or under applicable law (provided the disclosing party is given reasonable prior notice), or (d) is developed by the receiving party independently of the disclosure by the disclosing party.

14.14 News Releases. In the event either party wishes to issue a news release or other announcement regarding this Agreement (other than public notices required by Section 73.3580 of the FCC's rules), such party shall obtain advance written approval the other party with respect to the information to be disclosed and the timing of such disclosure.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first written above.

Seller:
21ST CENTURY RADIO VENTURES, INC.

Attest

By: _____
James L. Primm
President

Buyer:

LITTLEFIELD BROADCASTING, LLC

Attest

By: _____
Edward F. Seeger
Member

